

SOUTH TAHOE
PUBLIC UTILITY DISTRICT

Export Pipeline Project

History of Federal Funding

May 1996	STPUD began construction to replace six miles of the pipeline.
August 1996	STPUD announced that it is seeking \$20 million in federal funding over the lifetime of the pipeline replacement project.
October 1996	STPUD completes final study of the pipeline replacement. Replacement schedule is presented to the Lahontan Water Quality Board.
October 1996	EPA informs STPUD that \$2.2 million "has been allocated" for the project.
January 1997	EPA informs STPUD that the \$2.2 million EPA reprogramming was not approved by the House of Representatives appropriation sub-committee. EPA informs STPUD that the project is still rated "a high priority for funding." Area legislators promise to help reinstate the funding.
January 1997	STPUD asks area legislators to support \$5 million for 1998 construction.
Spring 1997	Area legislators sponsor new appropriation, reinstating the previously authorized \$2.2 million and additional funds for 1998 construction. Total appropriation request of \$7.15 million.
July 1997	At the Presidential Forum, President Clinton states: "One crucial measure we'll work hard to deliver is a new pipeline to carry waste water out of the Tahoe Basin."
October 1997	Congress authorizes, and President Clinton approves, appropriation of \$7.15 million. District accelerates construction the October 1996 schedule based on the federal commitment of funds.
October 1997	Presidential Forum Deliverables document states that "Design and environmental review is in process. Bids for the project will be received in December 1997. Construction will be complete in October 1998. Deliverable funds: \$7,150,000."
November 1997	STPUD asks area legislators for \$5 million to continue the next phase (originally planned for 1999).
March 1998	Presidential Deliverables Status Report states: "EPA Region 9 will be responsible for awarding the grant based on an approvable grant application from the STPUD... EPA expects to receive a grant application from STPUD in early 1998. \$7,150,000 will be awarded by EPA during FY 98."
March 20, 1998	EPA finalizes guidelines for Region 9 to authorize the special appropriation grant. The guidance provides for the grant to be funded 55% with federal money and 45% from local matching funds.
April 1, 1998	STPUD submits grant application to EPA.
April 9, 1998	STPUD submits deviation request to EPA. STPUD requests credit for the local 45% match from pre-award spending. Cases where this has been done in the past are cited by the District.

May 1998	Construction begins on 1998 phase (4.1 miles).
July 15, 1998	The grant is awarded. A special condition of the grant is Headquarters approval of the deviation request.
July 15, 1998	EPA Region 9 recommends the approval of the deviation request to EPA Headquarters.
July 15, 1998	EPA Region 9 informs STPUD that HQ has reviewed the applications and doesn't see any problems with the deviation. EPA Region 9 staff indicate that 30 days would be the maximum processing time since HQ has already given the preliminary approval. EPA Region 9 staff suggest that STPUD ask area legislators to waive the customary 5 day notification period so that the award can be made as soon as possible.
August 1998	Region 9 indicates that Headquarters will not approve the deviation request as submitted. Senator Boxer urges EPA to support STPUD's request. "...in order for the \$7.15 million to be made available for the project, EPA must agree to allow the District to count local funds already expended on the pipeline toward federal matching requirements."
September 1998	Discussions with EPA continue.
October 13, 1998	Senator Feinstein writes to EPA Administrator Carol Browner "to ask that you reconsider the [EPA's] recent decision to deny the South Tahoe Public Utility District's deviation request... I hope that you will be able to grant the deviation request... If STPUD's deviation request is not granted, the district may have to halt construction on the pipeline."
October 19, 1998	Congressmen Doolittle, Gibbons and Ensign fax EPA Administrator Carol Browner explaining that "at dispute right now is whether STPUD will be allowed to apply the \$7.15 million in funding towards its pre-award costs for the project. As the chief sponsors of this project in Congress from its inception, we can assure you that this was always our intention. Based on the statements delivered by the president during his Tahoe Summit, we, as well as STPUD's leadership, were led to believe that this was to be administration's intentions as well." They urged "your agency's immediate approval of the district's deviation request that would allow STPUD to apply the \$7.15 million in funding towards its pre-award costs – consistent with the direction we laid out in Congress when this project was authorized."
October 1998	Congress appropriates an additional \$2.5 million for the export pipeline project.
November 5, 1998	STPUD Board of Directors directs staff to cease construction planning for 1999 if EPA funding is not forthcoming.
November 1998	EPA informs STPUD that deviation request as submitted is denied. Asks District to re-submit grant application.
November 1998	STPUD Board of Directors directs staff to resubmit the grant application with a revised construction schedule affordable to the District in light of the EPA's decision. Further direction is that no additional money be spent until an EPA agreement is in writing.